



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
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COMMISSION PULLS LICENSE OF SECURITIES SALESMAN FOR UNSCRUPULOUS CONDUCT IN ANOTHER STATE

PHOENIX – The Arizona Corporation Commission has revoked the registration of a securities salesman because he was found to have engaged in dishonest and unethical practices while managing the investment account of a Washington couple.

In a proactive move to protect Arizona investors, the Commission will not allow 42-year-old Lonzo Archer of North Brunswick, New Jersey, to sell securities in Arizona due to his securities license revocation in the state of Washington. Because Archer's license was revoked in another state, the Commission had grounds to revoke his securities registration in Arizona. Washington regulators found that Archer sold unsuitable investments to the couple without their authorization and "churned" the couple's account, executing transactions that were excessive in size and frequency.

The Securities Division of Washington State's Department of Financial Institutions issued a final order in January 2004, finding that Archer's unscrupulous activity resulted in \$118,300 in losses to the two investors. Besides revoking Archer's securities registration, the state of Washington ordered him to pay a \$20,000 penalty and return his \$35,000 in sales commissions to investors.

The Commission found that Archer has not complied with the terms of the Washington order. He did not pay the fine or disgorge his commissions to the state of Washington. Thus far, Arizona is the only other state to revoke Archer's securities registration. From August 2002 through December 2004, Archer was registered as securities salesman in Arizona and was associated with First Montauk Securities Corporation.

In May 2004, the Arizona Corporation Commission's Securities Division issued Archer a notice of opportunity for hearing, alleging that the Washington license revocation constituted grounds for revocation under the Arizona Securities Act. A Commission Administrative Law Judge held a public hearing on the matter in January 2005 in Phoenix.

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